

Carolina, and Georgia for the comments they have made. I already addressed the issue of the speech. I agree with the comments made by my colleagues here.

I want to address the substance of this. We get caught up in terminology around here and sometimes talk beyond each other. I don't know what most people are doing today, but the country almost came to a halt in August of 2011 as we negotiated some reductions in spending—\$2.1 trillion worth. Most people believed that was not enough. I know everybody in this body has been contacted by the Fix the Deck folks and others who think we need to have a \$4.5 trillion to \$5 trillion deal, and I agree with that 100 percent. I thought that was what we were going to be doing.

As the Senator from South Carolina said, had we done that, we could focus on the tremendous potential this country has. We are not going to do that.

Let me go back to August 2011 when we agreed to reduce spending by \$2.1 trillion. We implemented some things and we put some things off to what we call the sequester, which is what I am talking about now. The sequester was supposed to kick in on January 1 if we didn't reach an agreement on other spending reductions. I had hoped we would come up with other spending reductions. I know my friend, the Presiding Officer, felt the same way. But we have not done that.

Here is the substance of what the President just said in his speech; that is, since we did not come up with an agreement on spending reductions, we are going to deal with the sequester that kicks in tomorrow—the \$1.2 trillion.

EXTENSION OF MORNING BUSINESS

Mr. BENNET. Mr. President, I ask unanimous consent that the period for morning business for debate be extended until 5 p.m., with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BENNET. I thank the Senator.

Mr. CORKER. Mr. President, I see the Senator from Kentucky. I think most people would rather listen to him than to me.

I yield the floor for the moment as he makes his comments.

Mr. MCCONNELL. Mr. President, are we in a quorum call?

The PRESIDING OFFICER. The Senate is not in a quorum call. The Senator from Tennessee has yielded the floor.

THE FISCAL CLIFF

Mr. MCCONNELL. Mr. President, yesterday—after days of inaction—I came to the floor and noted the obvious: we need to act but I need a dance partner. So I reached out to the Vice President

in an effort to get things done. I am happy to report that the effort has been a successful one, and as the President just said in his television appearance, we are very close to an agreement.

We need to protect American families and job creators from this looming tax hike. Everyone agrees that action is necessary, and I can report that we have reached an agreement on all of the tax issues. We are very close.

As the President just said, the most important piece—the piece that has to be done now—is preventing the tax hikes. The President said, “For now our most immediate priority is to stop taxes going up for middle-class families starting tomorrow.” I agree. He suggested that action on the sequester is something we can continue to work on in the coming months.

So I agree, let's pass the tax relief portion now. Let's take what has been agreed to and get moving. This was not easy to get to. The Vice President and I spoke at 12:45 this morning, 6:30 this morning, and multiple times again during this morning. This has clearly been a good-faith negotiation. We all want to protect taxpayers, and we could get it done right now.

So let me be clear: We will continue to work on finding smarter ways to cut spending, but let's not let that hold up protecting Americans from the tax hike that will take place in about 10 hours from now. We can do this; we must do this.

I want my colleagues to know that we will keep everybody updated as we continue to try to wrap this up.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Mr. President, it is appropriate that the Senator just said what I have said, and I thank him for his comments. This, again, leads me to what I see is the rub. In his comments a minute ago, the President alluded that the tax arrangements have all been agreed to and the things Americans most care about have been agreed to.

In a late request this morning, the President wanted to do away with the sequester—the \$1.2 trillion in cuts—by paying for them with revenues instead of trading out other cuts, which is unbelievable to me with the amount of debt we have in this Nation. The fact is we have agreed to additional revenue. Now, at the last minute, what has happened is the sequester is getting ready to kick in because we could not agree to other revenue cuts. By the way, it was not part of this deal but to supplant what we did back in August 2011.

We all know the sequester is going to kick in. For some reason people think it is being done the wrong way and should be done in a different way, which I actually agree and hope we will do. Instead of reducing that spending, the President wants to add revenues to that to keep that from happening.

Now, let me explain what that means. We have this tax increase that

is getting ready to happen—by the way, I would support that—and instead of reducing the deficit like the President campaigned on, what he wants to do is use those revenues to supplant spending reductions we have already agreed to, so we are not reducing the deficit. We are using this revenue, which has been campaigned on for a year, not to reduce deficits but to keep spending cuts that have already been agreed to from happening. I don't think there are many people on either side of the aisle who would think that is a very good idea.

Now, what the President is doing is holding this agreement on taxes for all Americans hostage to keep from doing the spending reductions we have already agreed to. I don't know if most Americans who listen to us quite understand what is happening.

I listened to the President yesterday speaking with David Gregory, “Meet the Press,” and I know he talked about the \$1 trillion in spending reductions he has offered up, which by the way I applaud. The problem is I have never seen them. I don't think the Presiding Officer has ever seen them. As a matter of fact, there is not a soul in this body who has ever seen the spending reductions that the President has offered up because they don't exist.

I know there were broad contours that were talked about; I know that. The people in this body know that last week LAMAR ALEXANDER and I offered a bill on the floor to raise the debt ceiling by having \$1 trillion in entitlement reforms so we don't end up in a situation where the credit of our country is in jeopardy. Today people are paying one-third of the cost of Medicare. There will be 20 million more Americans on Medicare over the next 10 years, and we are paying for one-third of that. It is a time bomb.

We have offered reforms to cause Medicare to be here for future generations. We have done that in advance so the debt ceiling is raised in a way that does not jeopardize the country's credit. At the same time, we reformed these programs so they will be here for the future.

Yesterday the President said on television that he has offered \$1 trillion in cuts. I have never seen them. What I would say to the Presiding Officer is, if they exist it would be helpful if we could see those because that would help us with this debt ceiling debate. It may be that some of those are similar to the reforms and reductions that Senator ALEXANDER from Tennessee offered with me. That would be highly helpful. Once the pep rallies are over maybe the President could send a list of those reductions and reforms that he says he has offered that no one I know of has ever seen. I think it would be helpful to us in the debt ceiling debate.

As a matter of fact, my guess is we might agree with a lot of those. What we could do is maybe take the President's reductions that he says he has offered, which he has never offered, and

we could use those to help raise the debt ceiling and alleviate some of the issues that my friend from South Carolina was mentioning a minute ago.

Mr. Presiding Officer, my friend, I will tell you that I am disappointed where we are today. I thought 2 years after we began this process we should end up with something that would cause us to have this viewed from the rearview mirror. In other words, this would be behind us, and we would begin 2013 in a situation where the economy was ready to take off and people in this country would know that we dealt with our issues, and, candidly, people around the world would know it as well. We have not done that. We are talking about the kick-the-can-down-the-road deal. Everybody knows that.

Everybody in this body knows that by the time this agreement takes place we have done nothing to reduce a penny of debt in this country. People know that, and that is a shame.

The American people are watching us. We have turned ourselves into the laughing stock of the world because we cannot sit down and just solve these problems. Candidly, I don't know why we cannot do this on the Senate floor. It has been empty over the last week. I think we could have brought a bill to the floor to deal candidly with this. I think most people on both sides of the aisle think the same way. We have not done it. Surely, we should not let this happen again.

I want to close by saying that I am disappointed with what I think is about to happen on the sequester. It looks like we are going to use revenues to substitute for spending reductions that have already been agreed to. What that means to the American people is that the tax on the wealthy, which I support in the form that I have understood it to be, is not going to be used to reduce our deficit but to keep from putting in place the spending reductions we have already agreed to.

I don't know many Democrats or Republicans who would think that is a particularly good idea, especially with everything we went through and everything we put the world through in August 2011. Much of that will be dissipated and watered down today. Not only are we not making progress if that happens, we are actually going to be setting ourselves and our country back. I think this will make it even more difficult to overcome the debt ceiling that is coming up in 75 days.

I am obviously making this speech to, hopefully, help influence the outcome over the next couple of hours. I hope that what the President said over in the Executive Office Building is not what he means. I doubt there are many people in this body who agree with the comments made by the President, and I hope the negotiators will take that into account.

I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, I have come to the floor to express my own sense of encouragement about the statements made this afternoon by President Obama and Senator MCCONNELL which indicate that the negotiations to avoid the so-called fiscal cliff are making progress. We are not there yet, but they are making progress. I am very encouraged by that.

I have heard over the last couple days a familiar phrase invoked many times, and it is that no deal is better than a bad deal. I suppose it is often true that no deal is better than a bad deal. But in the case of the fiscal cliff, no deal is the worst deal because the government will go over the fiscal cliff and will take almost every American with us.

Almost every family who pays taxes now will pay higher taxes. People's jobs will immediately be put in jeopardy, unemployment compensation will end for more than 2 million people. Our defenses will be decimated by cuts that will put us in a position of accepting unacceptable risks to our security. Title I programs of education for low-income children will be cut dramatically.

Most people, including our own Congressional Budget Office, say the combination of tax increases along with the decreased spending required under the Budget Control Act will push our economy back into recession in the new year.

So I do not agree that no deal is better than a bad deal. In this case, I repeat, no deal is the worst deal because it allows our country to go over the fiscal cliff and hurts almost every American family and our country and our economy as a whole. This should not be a surprise to us. It is not as if—if I can use the metaphor that Congress was going along in a bus on a ride through the country and suddenly came to the end of the road and there was a cliff. This should not be a surprise to us. We created this cliff ourselves a year and a half ago when we adopted the Budget Control Act. We created it for a very good reason: Because we knew we had proven ourselves incapable of making the compromises that were necessary to achieve the long-term bipartisan debt reduction program America desperately needs.

We are over \$16.4 trillion in debt. I am in my last days as a Senator. If you told me when I started that we would be \$16 trillion in debt, I would not have believed it. Frankly, if you had told me just a dozen years ago, at the end of the Clinton administration when we were in surplus, that we could possibly be \$16 trillion in debt, I would have thought you were not reality tested. But here we are.

Most everybody knows the way we are going to get out of this is with a combination of tough medicine—I would call it tough love. We are going to have to reduce spending. We cannot do it all from discretionary spending. The Budget Control Act we adopted last summer; that is, the summer of 2011, does it all from discretionary spending. What is discretionary spending? It is different from entitlement spending: Medicare, Medicaid, et cetera. It is what most people think of as the government. It is education programs. It is environmental protection. It is social service programs. It is defense. It is homeland security. It is law enforcement. That is about one-third of our budget. It is not the part of spending that is driving the debt and deficit. That is being driven by the growth in entitlements, which are rising for a good reason, which is that the American people are living longer; therefore, taking much more money out of programs such as Medicare than they put in and, I suppose, for reasons that are not so good, which is the cost of health care continues to go up.

We proved ourselves incapable of dealing with this crisis as part of the normal process of compromise. So we created the cliff, which was intentionally made so harmful that our assumption was that we would not allow ourselves to go over the cliff because it would be so hurtful. Again, that is why no deal in this case is not better than a bad deal. No deal is the worst deal because it means we go over the cliff.

Why is all this happening? For a lot of reasons. But one is that there are groups within both great political parties who are defending the status quo, who do not want the situation as it exists now, which has created the \$16½ trillion of debt, to change. But we cannot go on this way. Because if we do, we already are putting an enormous burden on generations of Americans to follow in paying off the debt we have incurred. But we are also coming to a point, if we do not do something soon, where the choices we are going to have to begin to pay off the debt are going to be hurtful to our great country, which is enormous tax increases, enormous spending cuts such as the one in the fiscal cliff proposal or, at worst, the monetizing of the debt, a drop in the value of the dollar, and all the harmful effects that will have on our economy and our country.

Here we are, December 31, not only the eve of a new year—which we hope and pray will be a great one for our country and everyone who lives in it—but a few hours away from letting our country go over the cliff. We can't let it happen, and that is why I am so encouraged that these bipartisan negotiations are looking like they will produce a bipartisan agreement, which hopefully will come before the Senate sometime this evening.

This is not, this will not be the comprehensive, bipartisan, long-term debt

agreement we created the cliff to encourage. This will not be the bipartisan, long-term debt reduction agreement this country needs.

So much is beginning to turn right in our economy. Housing prices are doing better, unemployment is down. We see manufacturing picking up again. The big problem the American economy has is right here in Washington, our inability to get together across party lines to bring our country back into fiscal balance and to show the country and the world we have a political system that is capable of fixing our problems.

Earlier this year, Bob Carr, the Foreign Minister of Australia, one of our greatest allies in the world, said: "The United States is one budget deal away from restoring its global preeminence."

"The United States is one budget deal away from restoring its global preeminence." Perhaps because I am so proud of this country, I would say we are one budget deal away from restoring our global dominance for a considerable number of years.

Unfortunately, after—I hope and I pray we adopt the result of negotiations going on now and avoid the fiscal cliff—we will still be one grand bargain budget deal away from restoring our global preeminence. That work has to be done, but at least we will have avoided the cliff.

By a twist of fate, the occupant of the chair is my colleague and friend, the Senator from Connecticut. You have probably seen these numbers, but just to bring it home for one State, what will be the impact if we allow the country to go over the fiscal cliff in Connecticut: 1.4 million middle-class families will see their Federal income taxes increase, almost 1.5 million families.

If the middle-class tax cuts are allowed to expire on January 1, a median-income Connecticut family—now I know the median in Connecticut is higher than it is in most other States, but this number is true for any family making this amount of money. It makes an important point.

A family of four earning \$86,000 a year happens to be the median family income in Connecticut. But that family, which I think would be considered median just about everywhere, middle income just about everywhere, would see its Federal income taxes rise by \$2,200. That is a lot of money for a family of four paying a mortgage, paying for food, probably paying something for education for their children, maybe college—too much.

Another Connecticut number is 680,000 additional Connecticut taxpayers will be hit by the alternative minimum tax. It is amazing when we think about that. Those are going to be middle-class families who will be hit by that. Also, 120,000 Connecticut taxpayers will no longer get a tuition tax credit to help pay for college because that too will expire if we don't do something about it. There are 340,000

Connecticut families raising children who will see an average tax increase of \$1,000 as they lose access to the child tax credit.

The earned-income tax credit, which was something adopted during the 1990s—which I was proud to be part of—is also set to expire on January 1. That is for—when I say lower working families, some might call them lower middle income, gives them a break that they need.

In the most recent year for which we have numbers, almost 43,000 Connecticut working families received important benefits from the earned-income tax credit, and they would lose it.

The national numbers are 2.1 million people long-term unemployed who will see their unemployment checks end. We are setting them adrift. In Connecticut, that means 33,600 Connecticut individuals will lose unemployment benefits under the Emergency Unemployment Compensation Program.

I met with a group of these folks recently, and I know a lot of these people are white-collar people. Some of them are in their middle years of life, and they lost their jobs in companies that were hit by the recession. They are having an impossible time finding new employment, and, believe me, they are working so hard to try to get it—33,600 of them would be set adrift without unemployment benefits if we go over the fiscal cliff.

One estimate by the National Economic Council is that there would be \$2.5 billion less in consumer spending in Connecticut, and that is basically because tax hikes will take a bite out of middle-class budgets and, frankly, some people will lose their jobs. I am afraid they will lose their jobs in many industries, including the defense industry, which remains a foundation, as the acting chair knows, of our State's economy. The NEC also estimates that we would have 1.1 percent slower growth in the Connecticut economy with the attendant harmful results of that.

I could go on and on. Title I would be forced to serve about 9,300 fewer Connecticut children. We would get \$5.6 million less in funding low-income home energy assistance payments to people in our State who heat with oil, and on and on and on.

This is all my way of coming back to the point I made at the beginning and why I am encouraged by the statements President Obama and Senator McConnell made this afternoon that we are close to an agreement, close to a deal.

I don't agree, I say again, that no deal is better than a bad deal. In this case of the fiscal cliff, no deal is the worst deal possible for the American people.

We passed the time when we are going to, before tonight, negotiate the comprehensive bipartisan debt reduction agreement our country desperately needs. The least we can do is protect the constituents who were good

enough to send us here from the worst possible result, which is that we let the country go over the cliff. We have proved that to everybody, including people around the world who depend on American strength and watch us, that our political system has become absolutely dysfunctional.

So I hope the negotiations going on now end with an agreement, and I hope we will pass it with a bipartisan majority, a strong bipartisan majority in the Senate and the House. I certainly will support it from all I hear about it myself.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana.

TRIBUTES TO RETIRING SENATORS

JOE LIEBERMAN

Mr. COATS. Mr. President I wish to thank my friend, my long-time friend whom I hate to see leave this body, Senator LIEBERMAN from Connecticut, for his remarks.

I didn't have the opportunity to speak after he gave his farewell remarks. I do wish to say, before I get into the reason I came down here—I am happy to see him here so I can say this—it has been a joy to serve with him over the years.

I am in my second life in the Senate, and during my first life we served together on the Armed Services Committee. We did a number of initiatives together on which I was proud to be associated with him, that I believe strengthened our national economy and our security team around the world. We worked on school vouchers for DC and a number of other initiatives affecting the future of our military and other issues that were of importance to us.

Most important, from my standpoint, we worked together to bring values that each of us cherish based on our faith. JOE is of the Jewish faith, and I am of the Christian faith. We discovered on a trip to Iraq, just after Desert Storm, that we, in talking to each other, shared our respective faiths and how it affected our lives, how it affected our families, and how it helped us form decisions we make. Of course, coming from two different parties, we didn't find agreement on everything, but we found agreement on a number of things, particularly those things where we shared common values, where our faith shared common values and where individually we shared those values.

Under the direction of a rabbi from Chicago we cochaired the Center for Jewish and Christian Values, bringing